HOW TO SET UP ETHANOL PRODUCTION FACTORY USING CASSAVA.

BY

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One of the most dynamic sectors of the Nigerian Economy is the Agric sector. Agric sector has the potentials of putting Nigeria out of the economic doldrums if well managed and developed.

Development of Agriculture should be the major plank of poverty alleviation in Nigeria because of the fact that more than 60% of the population rely on the Agric sector for survival.

Establishment of Mini Ethanol plant is seeing as one of the ways of utilizing Agricultural produce to generate employment and provide value added goods for the use of people and industries.

Increased Rural income is guaranteed through this project as there will be demand for farm product (cassava) to service the factory. Farmers will be ready
to plant more cassava as there is assurance that there is market for their products.

By establishing this project, a balanced development of the economy is achieved through the boosting of the economy of rural dwellers. The only way out of the present financial crisis in Nigeria is through massive investment in the productive sector if the trillions of Naira lost in the capital market has been invested in the productive sector, the current crisis of unemployment, job loss, cash crunch, insecurity will not be there.

Establishment of Ethanol Plant is technically feasible and economically viable as raw materials (Cassava tubers) for its production are readily available in Nigeria and demand for ethanol is high. The price is also right. Nigeria produces more than 30 million metric tones of cassava tubers annually. Ethanol has various uses, it can be used in the pharmaceutical industries, in the distilleries and in the petro-chemical and food industries. Right now, our demand locally is being met by importation. To stimulate local production, government is trying to impose tarrifs & trade barriers on importation of ethanol. Local producers, in this vein, are bound to enjoy tremendous demand for their products.

**TECHNICAL INFORMATION**

The production process of ethanol from cassava involves peeling and washing of cassava, milling/grating, pressure cooking, fermentation and distillation. A tone of cassava will produce a minimum of 200 litres of ethanol.

To establish this project, implementation procedures are: feasibility studies preparation, finance sourcing, procurement of accommodation, procurement and installation of processing machines, recruitment and training
and project commissioning take-off. Investors can be assisted in any of the above listed activities.

FINANCIAL IMPLICATION

A sum of N18,500,000 will be required to set up the project. This is broken down as follows:

1. Pre-Investments : N500,000
2. Accommodation (rental) : N3,000,000
3. Plant and machinery : N10,000,000
4. Utilities & working capita : N5,000,000

**TOTAL**  
N18,500,000

PROFITABILITY

Plant capacity is put at 500,000 litres per annum. Profit margin of N100 litre has been computed. Annual profit of N50 million has been computed. This is no doubt a good means of livelihood for Nigerians. Serious minded investors can be assisted in the realization of this project.

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